Cattle producers tend to market cattle about the same time each year. However, exogenous (external) factors can influence when cattle are marketed. An example of an extremely short-run factor is precipitation events such as rain or snow. Weather events can prohibit cattle producers from getting a truck and trailer to the cattle loading facilities, resulting in delayed marketing (sale). However, these events are generally short-lived and only change sales dates by a week or two. Alternatively, there are other events that can cause cattle producers to change or delay marketing cattle, because such events negatively influence cattle prices.

Events that negatively influence cattle prices may be short-lived, or they can have influence on the market price for an extended period of time. When a short-term event becomes a long-term event with an unknown ending, the cattle producer cannot know for certain how long prices will be depressed. Thus, when cattle prices decline, cattle producers tend to delay marketing to give the market time to recover or regain some of its losses. This can be a useful strategy for a short period of time, but most cattle producers have finite resources, which means they cannot hold onto their cattle indefinitely. This strategy does not even consider that cattle are “perishable products,” in that they will continue to grow as time passes and will eventually have to move through the beef supply chain.

Coronavirus is one of those events that has resulted in producers changing their cattle marketing plans in the state of Tennessee and across the country because it has had a negative effect on cattle prices. The purpose of this publication is to illustrate how cattle marketing receipts of feeder and stocker cattle have been influenced by coronavirus by providing information on the quantity of cattle that were delayed moving through the beef supply chain.
**Coronavirus Timeline**

The first case of coronavirus (COVID-19) in the United States was reported in the state of Washington on January 20, 2020. On March 11, the World Health Organization declared coronavirus to be a pandemic, with the United States government declaring a national emergency for COVID-19 on March 13, 2020. Between January 20 and March 13, media coverage of COVID-19 was widespread, which led to downward pressure on prices in most markets by the end of February. Most markets came under further pressure moving through the month of March before stabilizing after the first week of April. This price action is represented in Figure 1, with the August Feeder Cattle futures contract from January 1, 2020, through April 30, 2020.

![Figure 1. August Feeder Cattle Futures for January 1, 2020, Through April 30, 2020.
Source: Chicago Mercantile Exchange](image)

**Cattle Receipts**

National stocker and feeder cattle receipts for 2020 were comparable to the years of 2016 through 2019 in January and February when cattle prices were still relatively strong (Figure 2). However, national feeder and stocker cattle receipts in March of 2020 were down 46.6 percent (590,600 head) compared to the same month in 2019, which is when cattle prices had declined dramatically. Cattle marketing receipts appeared to recover in April when prices made a small recovery. However, receipts...
(number of head sold) over the first four months of the year were still down 959,700 head (-18.1%) compared to the same four months in 2019.

Figure 2. Monthly National Stocker and Feeder Cattle Receipts for January Through April for 2016 Through 2020.
Source: USDA-Market News

Stocker and feeder cattle receipts in Tennessee during the first few months of 2020 followed a similar trend as national receipts. Steer and heifer receipts through Tennessee reported auctions for January through April for 2016 through 2020 and are shown in Figure 3 and Figure 4. Figure 3 contains receipts for steers and heifers weighing less than 600 pounds, while Figure 4 contains the number of receipts for steers and heifers weighing 600 pounds and more.

As can be seen in Figure 3, steer and heifer receipts for January and February 2020 were above year-ago levels. Receipts for steers and heifers weighing less than 600 pounds were 5,083 head greater (+31.9 percent) than the same two months in 2019. However, March and April receipts for this class of cattle were down 12,880 head (-50.3 percent) compared to the same time in 2019. This resulted in receipts for steers and heifers weighing less than 600 pounds being down 7,797 head (-18.8 percent) for the first four months of 2020 compared to 2019.

Several similarities exist for steer and heifer calves weighing 600 pounds and more marketed through Tennessee reported auctions (Figure 4). Receipts of this weight
class of feeder cattle were 1,092 head higher in January compared to the same month in 2019 and 552 head lower in February compared to 2019, which resulted in an increase of 540 head (+5.2 percent) over the two-month period. The similarities between cattle under 600 pounds and those 600 pounds and heavier become more evident for March and April. Receipts for steers and heifers weighing 600 pounds and more declined 8,201 head (-65.4 percent) in March and April of 2020 compared to the same two months in 2019. This resulted in receipts the first four months of the year declining 7,661 head (-33.3 percent) compared to the previous year. Thus, steer and heifer receipts in all weight classes through Tennessee-reported auctions declined by a total of 15,458 head (-24.0 percent).

Figure 3. Monthly Cattle Receipts for Steers and Heifers Weighing Less Than 600 Pounds for Reported Auctions in Tennessee for January Through April for 2016 Through 2020.
Source: USDA-AMS
Conclusions

The large decline in cattle sales for the first four months of 2020 slowed the movement of cattle through the supply chain. In Tennessee and across many major cow-calf producing regions, the large amount of rain in the spring provided enough forage to allow producers to hold cattle longer. This essentially resulted in cattle being held and backed up and will likely result in changes to seasonal beef production as harvest of those animals will be delayed compared to a year when an exogenous shock such as COVID did not influence the market. As it relates to cow-calf producers in Tennessee, and across the nation, cattle cannot be held off the market indefinitely. Producers will be forced to market animals at some point in 2020, as they have to prepare for the next calf crop. Accordingly, sales for the full calendar year of 2020 are expected to be similar to those of 2019. The ultimate impact on producer costs, revenues and profits remains to be seen.
References

